

Capturing Furlough Time

Each Cabinet or Independent Agency is responsible for ensuring that all employees are furloughed as indicated in the submitted Furlough Plan. The Personnel Cabinet has developed a Special Pay Code to apply for furloughs only. This will assist tremendously in the management and auditing of furloughs.

The 922 Special Pay Code will be used for Furlough (mandatory and voluntary)

- The new code will be in production in UPPS on Sept 15 for time entry for the Sept 1-15 pay period.
- All Cabinets or Agencies with independent timekeeping systems that interface with UPPS will need to take appropriate steps to ensure programming is completed by Sept 1.
- All Cabinets or Agencies who use an electronic Excel timesheet will need to ensure all employee timesheets have the new code by Sept 1.
- Suggestion Award, previously reported under Special Pay Code 922, will be combined with Special Pay code 927/Employee Recognition Award.

Calculation of Furlough Leave Value

Salaried Employees

The UPPS payroll system will calculate salaried employee furlough time based upon the standard hours for the pay period (based upon a Monday-Friday workweek). So that the same valuation is performed against all employee furlough time, agencies should allow the system to calculate the value of Furlough Leave for both standard and nonstandard schedule employees.

Hourly Employees

Hourly employee furlough value will be based upon the employee's hourly rate.

Estimating Furlough Effects Upon Wages

To manually calculate the value of Furlough Leave for a salaried employee, the payroll officer should divide the semimonthly salary by the number of standard hours in the pay period. The result is the hourly rate for the pay period. This rate, multiplied by the number of furlough hours, is the gross value of the furlough time for the employee. If a salaried employee has no overtime and no other leave without pay, the gross wages will be the regular semimonthly salary less the value of the furlough time. If there are other leave without pay hours, or if the employee has paid overtime, these values must be taken into consideration in the calculation.

There is no simple formula that can be broadly applied to determine the effect on Furlough Leave on employee net pay. To calculate the estimated net pay for an employee for a furlough period, the payroll officer can determine the gross pay as described above and use that figure on the 1 screen in POPY to calculate a regular wage check based upon the calculated gross pay due. To get an accurate estimate, all fields on the 1 screen, including the field for other deductions, must be completed accurately, and it should be understood that any factors in the actual payroll run that vary from the conditions considered

for the estimate—such as a change in deductions, overtime, or other leave without pay—will result in variance from the estimate. Any estimate provided should be prefaced by an explanation that it is only an estimate, not a guarantee, and that any factors not considered in the estimate but present in the actual payroll will affect the actual pay.

Special Situations

Employees Called In or Required to Work on Furlough Leave

It must be emphasized that under normal circumstances, an employee should not work while on Furlough Leave. However, there may be special circumstances under which it is necessary that an employee perform work while on Furlough Leave: for example, if an emergency situation arises and the employee must be called in to work. If this occurs, the time worked should be recorded as compensatory time earned. The time designated as Furlough Leave should remain coded as Furlough Leave.

Furlough Leave and Other Leave Without Pay for Employees with Nonstandard Hours for the Pay period:

For salaried employees with nonstandard hours for the pay period who have 902/Authorized Leave Without Pay or 929/Unauthorized Leave Without Pay, their 902 and 929 leave without pay hours should be calculated and adjusted specifically to their pay period schedule hours. Agencies achieve this by calculating the value of the 902 and/or 929 hours and paying the employee an adjusted amount in POT (Payroll Online Transactions). If an agency is performing this calculation on an employee with nonstandard hours for the pay period who also has 922 Furlough Leave hours, the 922 hours should be calculated based upon the standard hours for the pay period (not the employee's nonstandard scheduled hours for the pay period) AND each pay transaction must be paid via POT as an amount so that the 922 can be captured from payroll for reporting. For example:

Joan works a nonstandard schedule in a facility and has 75.00 hours for the pay period. The standard hours for the pay period are 82.5. Joan has 63.5 hours of regular time, 4 hours of 902/Authorized Leave Without Pay, and 7.5 hours of 922/Furlough Leave. Joan's semimonthly salary is \$2000.00. She has no overtime pay for the pay period:

- Divide Joan's semimonthly salary by her schedule's total hours for the pay period to determine the hourly value of her 902/Authorized Leave Without Pay:
 - $\$2000.00/75 = \$26.667/\text{hr}$
- Calculate the value of her 902 by multiplying her 902 hours by this rate:
 - $4 \text{ hours} \times \$26.667/\text{hr} = \106.67
- Divide Joan's semimonthly salary by the standard hours to determine the hourly value of her 922/Furlough Leave:
 - $\$2000.00/82.5 = \$24.242/\text{hr}$
- Calculate the value of her 922 by multiplying her 922 hours by this rate:
 - $7.5 \text{ hours} \times \$24.242/\text{hr} = \$181.82$
- As all other hours are paid and she has no overtime, her gross for the regular hours in the pay period would be her semimonthly salary less the value of her 902 hours and 922 hours:
 - $\$2000.00 \text{ semimonthly salary} - \$106.87 \text{ 902} - \$181.82 \text{ 922} = \1711.31

The payroll officer would submit 3 transactions for Joan in POT: 1) a 700 transaction for 63.50 hours and an amount of \$1711.31, 2) a 902 transaction for 4.00 hours and an amount of \$106.87, and a 922 transaction for 7.50 hours and an amount of \$181.82.

Reporting Furlough Leave

As an additional tool, the Personnel Cabinet will provide each Cabinet or Agency with an audit report to provide the furlough hours which were taken the previous month. This report will be provided by the 22nd of the following month, and will include the following information: Cab/Dept, Position Number, Employee Name, Title, Work County, and Furlough Hours Taken.

Again, it will be the responsibility of each Cabinet or Agency to ensure all required furlough hours have been taken and that the appropriate budget savings as outlined within the Furlough Plan is recognized. For any specific questions related to Special Pay Code 922/Furlough or how to capture this time, please contact Yvonne Richmond, State Payroll Branch Manager, at (502) 564-6718.